VZCZCXRO6892 PP RUEHDBU RUEHFL RUEHKW RUEHLA RUEHSR DE RUEHROV #0106/01 1901507 ZNY CCCCC ZZH P 091507Z JUL 07 FM AMEMBASSY VATICAN TO RUEHC/SECSTATE WASHDC PRIORITY 0763 INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE RUEHTV/AMEMBASSY TEL AVIV PRIORITY 0057 RUEHJM/AMCONSUL JERUSALEM PRIORITY 0054 RUEHROV/AMEMBASSY VATICAN 0793

C O N F I D E N T I A L SECTION 01 OF 02 VATICAN 000106

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TAGS: <u>KIRF PHUM SOCI IS VT</u>
SUBJECT: HOLY SEE FEARS ISRAEL BACKING OFF COMMITMENTS

REF: A. VATICAN 90;

¶B. VATICAN 93

VATICAN 00000106 001.2 OF 002

CLASSIFIED BY: Peter Martin, Pol/Econ Chief, Vatican, State. REASON: 1.4 (b), (d)

Summary

11. (C) Holy See officials say that Israel is backing off commitments it made during a May plenary session on the Fundamental Agreement between the two sides. Vatican sources told us the Israelis had promised to set dates immediately for a strict schedule of ongoing negotiations, but have now refused to schedule all but a single day of talks July 11. Veteran Holy See negotiator Fr. David Jaeger (protect) feels "foolish" after he had convinced his team to agree to a very positive joint statement with the Israelis following the May session. It seems clear that continued pressure on the GoI will be necessary to bring the Fundamental Agreement saga to a successful conclusion. End Summary.

Holy See Had Been Pleased~

12. (C) Holy See officials had been pleased with the results of May's plenary session between the Holy See and Israel addressing issues related to the Fundamental Agreement (FA) between the two sides (reftels). Though the delegations made few concrete advances, Vatican officials were encouraged that the Israelis had promised to set dates immediately for a December plenary session, and also schedule two days of working-level negotiations each month until the December meeting. Even the usually-pessimistic Fr. David Jaeger, the Israeli-born Vatican negotiator who has been a fixture in the talks, was enthusiastic.

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- 13. (C) Now, however, Jaeger (protect) says it looks as if the Israelis were being disingenuous in May. They said "what they had to" in order to elicit a helpful joint statement with the Holy See and return home with a "success", he concluded. According to Jaeger, the Israelis have reverted to their usual stalling game, setting a date for one day of negotiations July 11, but refusing to schedule any other sessions. He said that the episode had been "disappointing and perplexing" to his negotiating team.
- ¶4. (C) Franco Coppola, Country Director for Israel at the Holy See Secretariat of State (protect), was somewhat more hopeful than Jaeger that the Israelis might yet stick to their word and move ahead starting in July. But he also said it appeared that the May performance may have been calculated to give an impression to those (e.g., the USG, American and international Jewish leaders, American Catholic groups) who had urged the GoI to make progress on the issue. After more than ten years, Coppola said, it's not as if one month here or there is crucial, but the episode shows that the Israelis haven't made a firm decision to finally confront the Fundamental Agreement issues.

Comment

 $\underline{1}$ 5. (C) The Holy See was prepared to use its few moments with VATICAN 00000106 002.2 OF 002

President Bush in June to raise the Fundamental Agreement issue, thanking him for USG encouragement of Israel to move ahead with negotiations, and asking for continued pressure. After the May plenary session, officials thought things were under control, so they did not bring up the FA. In the end, it appears from the Vatican perspective that continued pressure on the Israelis will be important if this on-going saga is ever to be resolved.

16. (C) The Vatican's diplomatic style normally precludes any hard-nosed tactics (to the disappointment of some of its negotiators). However, Secretary of State Bertone has shown himself to be fairly aggressive, and the Holy See is certainly frustrated with what it perceives to be bad faith on the part of the Israelis. With high-level meetings between the USG and Holy See likely in the coming month, we expect that this issue will return to the agenda. SANDROLINI